

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEW JERSEY
Caption in Compliance with D.N.J. LBR
9004-1(b)**

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Inc.*

In re:

NOSTRUM LABORATORIES, INC.,

Debtor.

Case No.: 24-19611

Chapter 11

Honorable John K. Sherwood, U.S.B.J.

Hearing Date: October 29, 2024 at
11:00 a.m.

DECLARATION OF JAMES L. GRAINER

James L. Grainer, pursuant to 28 U.S.C. § 1746, hereby declares under penalty of perjury as follows:

1. I am the Chief Financial Officer ("CFO") of defendant Nostrum Laboratories, Inc. ("NLI" or "Debtor"). I have been employed by NLI from June 2015 until the present. I am familiar with the facts and circumstances set forth herein, and respectfully submit this declaration in further opposition to secured Creditor Citizens Bank N.A.'s ("Citizens") Motion to Prohibit Use of Cash Collateral, and in further support of NLI's Cross-Motion to Authorize the Debtor to Utilize Cash Collateral to Pay Post-Petition Associate Wages, Salaries, Other Compensation, and Reimbursable Associate Expenses, to Authorize the Debtor to Continue Associate Benefits Programs, and to Authorize the Debtor to Continue to Pay Key Vendors.

2. The basis of the knowledge set forth below is upon my personal knowledge of facts and circumstances as set forth herein and my management of NLI's financial operations.

3. As the CFO of NLI, I am the highest ranking financial professional of Debtor. I direct and oversee the Debtor's financial activities, direct the preparation of current financial reports, analyses and summaries, and prepare financial budgets and financial forecasts. I direct the preparation of all financial statements, including income statements, balance sheets, tax returns, and other similar documents.

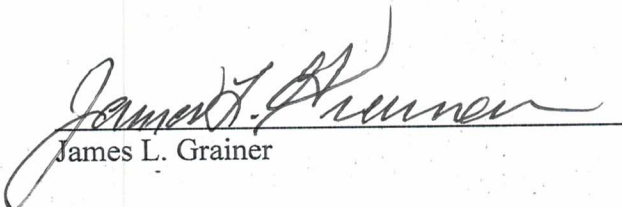
4. It is my understanding that Citizens has expressed unfounded and selectively chosen concerns regarding NLI's weekly cash flow and equity cushion.

5. Citizens states that the second week cash collections fell 86% short of NLI's weekly projection of \$400,000.00. These projections are a projected average of the previous nine months cash collections through September of \$532,000 and discounted over 25% to \$400,000. Given past trends of revenue collection, I anticipate that some weeks will be lower such as the first week.

6. Cash collections for the third week ending on October 27, 2024 totaled \$657,000.00, clearly in excess of the projected \$400,000.00.

7. Further, it is worth noting that Citizens' argument that it is not over-secured lacks any legitimate basis. Citizens did not submit a valuation of its collateral that contradicts prior valuations, including a valuation prepared by Citizens' selected consultants, which demonstrated the value far exceeds their loan amount.

Date: October 28, 2024
New York, New York


James L. Grainer